

STAT

WHITE HOUSE HAS NO RECORD OF CASEY MEMO
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WASHINGTON

The White House said Wednesday it can't find any trace of a memo in which CIA Director William Casey reportedly described secret arms sales to Iran as a swap for hostages and detailing how President Reagan would explain the deal if it became public.

The New York Times reported the existence of the Casey memo, quoting a high government official who had seen it, but said it could not be learned to whom the memo was addressed.

The Times said Casey indicated that if the arms deal was ever disclosed, Reagan could describe the covert action as an attempt to improve relations with Iran.

Dale Petroskey, assistant White House press secretary, told United Press International "our search has not turned up any such document."

An administration official, who asked not to be identified, said there are "literally thousands of documents in which many may express varying viewpoints.

"There's no doubt from our review of discussions with top policy makers that our objective was to find an opening to Iran," he added.

"As always, there are some people who have their own agenda and many times in government, memos are drafted by subordinates that are never approved at the top level," the official said.

CIA spokeswoman Kathy Pherson refused to comment on the report.

In the memo, Casey conceded the scheme conflicted with the administration's avowed policy against dealing with terrorists, but said Reagan was determined to rescue U.S. hostages held by pro-Iranian terrorists in Lebanon. He depicted the deals as a flat trade of arms for hostages, the Times said.

Rep. Dave McCurdy, D-Okla., a member of the House Intelligence Committee, which has held hearings on the matter, said on the "CBS Morning News" program today, "I've seen no memorandum purporting to being written by Director Casey," adding, "It's news to most of us."

Since the dealings were disclosed in November, Reagan has repeatedly said he did not swap arms for hostages and has described the secret sales to Iran as a diplomatic initiative to contact "moderates" in the Islamic government. However, other administration officials have said the president's desire to see the hostages freed was a major factor in persuading him to authorize the overtures and arms sales to Iran.

The official who spoke to the Times on condition of anonymity said the Casey memo was written about a year ago, near the beginning of the arms shipments, but could not recall to whom it was addressed.

The memo, according to the official who read it, analyzed the political repercussions of public disclosure of secret arms sales to Iran.

The official paraphrased the memo for the Times by saying Casey described Reagan as "taking the attitude that we can retroactively explain (the dealings) as an opening to Iran."

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2.

Meanwhile, there were two reports concerning Lt. Col. Oliver North, the National Security Council aide fired last month after he was identified by Attorney General Edwin Meese as being the only person who knew all the details of the diversion of Iran arms sale funds to the Contra rebels in Nicaragua.

The White House said it is "categorically untrue" that Reagan blocked efforts by his chief of staff, Donald Regan, to have North transferred from the National Security Council last summer.

The Miami Herald quoted an unnamed administration official as saying Regan tried to get rid of North mainly because he resented North's frequent contact with the president.

"I've never heard this story ... not even as a rumor," said a White House official who asked that his name not be used.

The Marine Corps said North voluntarily entered Bethesda Naval Hospital for about three weeks in 1974 and 1975 and was discharged "fit for full duty." The statement said law prevented disclosure of what North was treated for.

The Miami Herald reported earlier he had been treated for emotional stress, and The Washington Times reported it had learned North had suffered an emotional crisis in 1974 that led to threats of suicide.